



House of Representatives

General Assembly

File No. 207

January Session, 2005

Substitute House Bill No. 6866

House of Representatives, April 6, 2005

The Committee on Insurance and Real Estate reported through REP. O'CONNOR of the 35th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING LIFE INSURANCE OFFERED TO STATE EMPLOYEES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 5-257 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2005*):

4 (a) (1) The Comptroller, with the approval of the Attorney General
5 and [of] the Insurance Commissioner, may revise the group insurance
6 plan for employees of the state by amendment of any existing group
7 life insurance policy or policies or by procuring from one or more life
8 insurance companies authorized to do business in Connecticut a policy
9 or policies of group life insurance covering employees of the state.
10 Each employee in active state service shall be eligible for insurance
11 under this section, provided [he shall have] the employee has
12 completed more than six months' continuous state service, and each

13 member of the General Assembly shall be eligible for insurance under
 14 this section [,] six months after taking office. On and after July 1, 2005,
 15 no employee or member shall be eligible for more than one group life
 16 insurance policy under this section, except that an employee or
 17 member may maintain any policy issued under this section, in such
 18 manner as may be provided in the policy, if the policy was in effect on
 19 June 30, 2005.

20 (2) Any such group policy may provide that each employee or
 21 member of the General Assembly eligible for insurance [thereunder]
 22 under the policy shall become insured on the date [he] the employee or
 23 member becomes eligible unless [he] the employee or member declines
 24 the insurance in such manner as may be provided in the policy.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2005	5-257(a)

INS *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
State Comptroller - Fringe Benefits	GF - Savings	Potential Minimal	Potential Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill would prevent certain retired and re-employed state employees and General Assembly members from obtaining a second life insurance policy through the state’s group life insurance policy. The bill is applied prospectively, permitting individuals who have already accessed this benefit to maintain their second policy. According to information provided by the Office of the State Comptroller, two individuals currently have both a retired and an active policy.

As a result of the bill, the state will avoid the potential cost of second group life insurance policies in the future. The annual state share of active employee coverage is \$2.14 per thousand dollars of coverage. The state pays the full cost of retiree coverage. The annual per capita cost of retiree coverage is \$114.

OLR Bill Analysis

sHB 6866

AN ACT CONCERNING LIFE INSURANCE OFFERED TO STATE EMPLOYEES

SUMMARY:

This bill makes active state employees and legislators ineligible for more than one state-issued group life insurance policy. It permits them to keep any policy obtained through the state in accordance with the policy terms if the policy was in effect on June 30, 2005.

By law the comptroller, with the attorney general's and insurance commissioner's approval, can revise the group life insurance plan for state employees. Employees are eligible for coverage after six months of continuous service. Legislators are eligible six months after taking office.

EFFECTIVE DATE: July 1, 2005

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 15 Nay 0